



# Indiana Tax Conference 2009

Department of Local Government Finance:  
Report from the Administration

Timothy J. Rushenberg  
Commissioner

June 2, 2009



# Commissioner

- Timothy J. Rushenberg
  - Appointed by Governor Mitch Daniels on December 15, 2008
  - Served as General Counsel to the DLGF August 2007 – December 2008
  - Served as a Judge Advocate on active duty in the United States Air Force
  - Valparaiso University, J.D.
  - Indiana University-South Bend, B.A. Political Science



# DLGF Overview

## ■ Duties:

- Ensure property tax assessment and local government budgeting follow Indiana law
- Publish property tax assessment rules
- Annually review and approve tax rates and levies of every political subdivision including all counties, cities, towns, townships, school corporations, libraries and other entities with tax levy authority



# DLGF Overview

- Structure:
  - Commissioner
    - Oversees the operations of the Department and serves as a member of the Distressed Unit Appeals Board
  - Assessment Division
    - Promotes consistent assessing procedures across the State by providing guidance and technical instruction and securing compliance with the law to ensure fair and equitable assessment of property for taxpayers
  - Budget Division
    - Works closely with local officials in preparing their annual budgets and provides recommendations to the Commissioner on matters related to budgets, rates, levies, exceptions to property tax controls and taxpayer exceptions to tax rate increases



# DLGF Overview

- Structure
  - Communications Division
    - Supports communications and public relations activities that serve to promote understanding of property tax assessment and local government budgeting by local officials and taxpayers
  - Legal Division
    - Drafts and publishes property tax assessment rules and interprets statutory law to ensure property tax assessments and local government budgeting are carried out in accordance with Indiana law and DLGF rules and regulations
  - Operations Division
    - Researches and analyzes all areas of property taxation to ensure the fair and equitable distribution of the property tax burden



# Establishing New Standards

## ■ Core Values

- Put taxpayers first.
- Respect local control.
- Excellence in all that we do.



# Establishing New Standards

## ■ Core Competencies

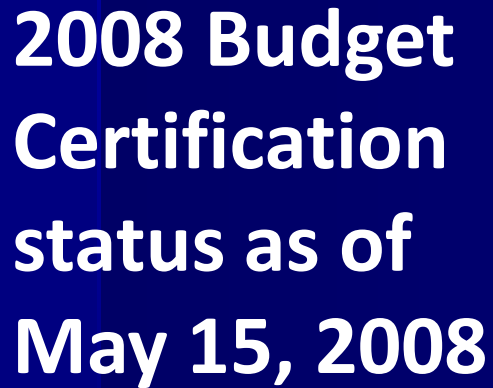
1. Know Your Job
2. Work as a Team
3. Serve the Taxpayers
4. Enforce Assessment Standards
5. Make Sure Data Submission Deadlines are Met
6. Ensure Budget Processes are Followed and Levy and Rate Controls Enforced
7. Provide Guidance and Interpret Laws but Respect Local Control



# Agency Goals

- **Restore On-Time Property Tax Billing**
  - Proactively assist counties in achieving data compliance
    - Department Policy provides for a 2-3 day response and turnaround for Data compliant counties
  - Reduce turnaround time for review and approval of ratio studies (includes counties w/data compliance issues)
    - 2007 pay 2008 – 60 days
    - 2008 pay 2009 – 57 days
  - Reduce turnaround time for budget certification once certified assessed values are received
    - 2007 pay 2008 – 45 days
    - 2008 pay 2009 – 36 days





<http://www.in.gov/dlgf/6827.htm>

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## 2008 pay 2009 Budget Certification Status Map

### Indiana Counties

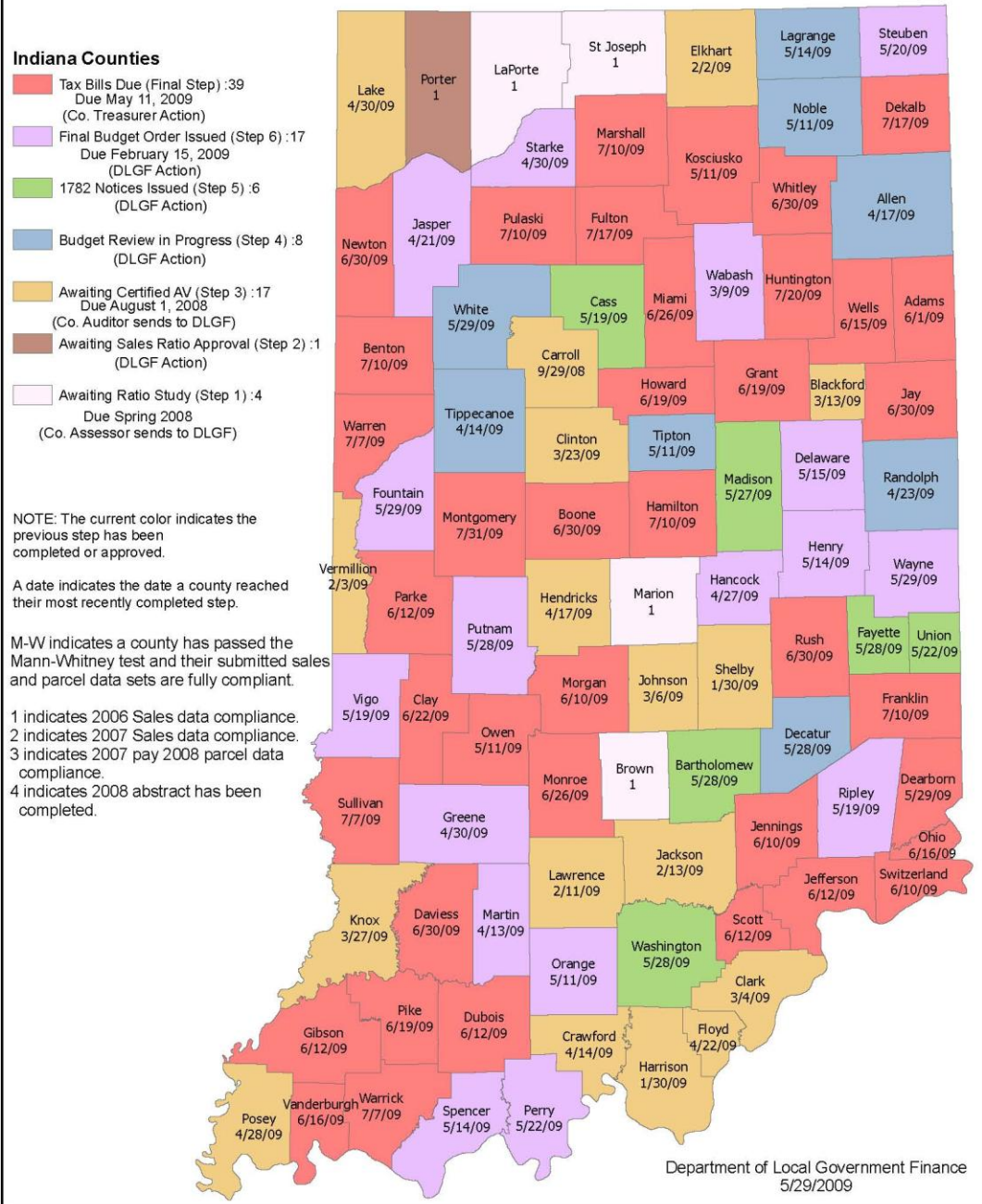
- Tax Bills Due (Final Step) :39  
Due May 11, 2009  
(Co. Treasurer Action)
- Final Budget Order Issued (Step 6) :17  
Due February 15, 2009  
(DLGF Action)
- 1782 Notices Issued (Step 5) :6  
(DLGF Action)
- Budget Review in Progress (Step 4) :8  
(DLGF Action)
- Awaiting Certified AV (Step 3) :17  
Due August 1, 2008  
(Co. Auditor sends to DLGF)
- Awaiting Sales Ratio Approval (Step 2) :1  
(DLGF Action)
- Awaiting Ratio Study (Step 1) :4  
Due Spring 2008  
(Co. Assessor sends to DLGF)

NOTE: The current color indicates the previous step has been completed or approved.

A date indicates the date a county reached their most recently completed step.

M-W indicates a county has passed the Mann-Whitney test and their submitted sales and parcel data sets are fully compliant.

- 1 indicates 2006 Sales data compliance.
- 2 indicates 2007 Sales data compliance.
- 3 indicates 2007 pay 2008 parcel data compliance.
- 4 indicates 2008 abstract has been completed.



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# 2009 Budget Certification status as of May 29, 2009

Status Maps:

<http://www.in.gov/dlgf/6827.htm>



## Status Maps:

**Indiana Counties**

- Tax Bills Due (Final Step) :0  
Due May 10, 2010  
(Co. Treasurer Action)
- Final Budget Order Issued (Step 6) :0  
Due February 15, 2010  
(DLGF Action)
- 1782 Notices Issued (Step 5) :0  
(DLGF Action)
- Budget Review in Progress (Step 4) :0  
(DLGF Action)
- Awaiting Certified AV (Step 3) :1  
Due August 3, 2009  
(Co. Auditor sends to DLGF)
- Awaiting Sales Ratio Approval (Step 2) :10  
(DLGF Action)
- Awaiting Ratio Study (Step 1) :81  
Due Spring 2009  
(Co. Assessor sends to DLGF)

NOTE: The current color indicates the previous step has been completed or approved.

A date indicates the date a county reached their most recently completed step.

| County      | Current Step | Date Reached |
|-------------|--------------|--------------|
| Pulaski     | Step 2       | 5/28/09      |
| Grant       | Step 2       | 4/27/09      |
| Tipton      | Step 2       | 4/30/09      |
| Hancock     | Step 2       | 3/9/09       |
| Rush        | Step 3       | 5/28/09      |
| Owen        | Step 2       | 5/29/09      |
| Ohio        | Step 2       | 5/26/09      |
| Dubuois     | Step 2       | 5/27/09      |
| Gibson      | Step 2       | 5/27/09      |
| Vanderburgh | Step 2       | 5/18/09      |
| Warrick     | Step 2       | 5/21/09      |

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# Agency Goals

- Increase Professional Development of Staff
  - Require all staff to become Level I, Level II, and Level III certified
  - Cross-train field representatives with both budget and assessment knowledge
  - Increase amount and level of data analysis conducted by the Department





# New Legislation

## ■ SB 346

- Beginning on July 1, 2009, a person filing a sales disclosure form with respect to a sale of real property occurring between January 1, 2004 and December 31, 2011 shall pay a fee of \$10 to the county auditor.
- 50 percent of the revenue collected shall be deposited in the county sales disclosure fund and 50 percent shall be transferred to the assessment training and administrative fund.
- The DLGF may provide training of assessment officials and employees of the DLGF through the Indiana chapter of the IAAO on various dates and at various locations in Indiana.



# New Legislation

## ■ SB 448

- New property tax exemption for businesses located in Indiana that are “dedicated to computing, networking, or data storage activities.”
- A business is eligible for the deduction if:
  - 1) It invests at least \$10 million in real and personal property located in Indiana after June 30 ,2009;
  - 2) The average employee wage of the entity is at least 125 percent of the county average wage of each county in which it conducts business; and
  - 3) The fiscal body of the county or municipality adopts a resolution exempting the business from property taxation
- Only the “enterprise information technology equipment” qualifies for the exemption.



# New Legislation

## ■ HB 1071

- Model residence deduction is retroactive to 2008 pay 2009.
- A property owner that qualifies for the deduction must file an application with the county auditor to claim the deduction for 2008 pay 2009 “in emergency rules... adopted by the DLGF.”
- If the 2008 pay 2009 property taxes already have been paid, the person that paid the taxes is entitled to a refund without having to apply.



# New Legislation

## ■ HB 1094

- Real property will be valued for property tax assessment purposes as of the assessment date.
  - In other words, the valuation date and the assessment date will be the same beginning in 2010.
- Eliminates the “Auditor’s Statement”
- Form 11 and TS-1 must include certain information concerning assessment appeals, including a notice that an appeal requires evidence relevant to the true tax value as of the assessment date.





# New Legislation

## ■ HB 1096

– Two ways to apply for the mortgage deduction:

1. The person recording the mortgage, contract, or memorandum may file a statement with the county recorder for real property or the county auditor for annually assessed mobile homes.
2. The person claiming the mortgage deduction may file a statement with the county auditor.



# New Legislation

## ■ HB 1198

- Amended IC 6-1.1-1-11 to change the definition of “personal property”
- Amended IC 6-1.1-2-7 to define “non-business personal property”
- Addresses levy replacement grants for certain school corporations that are affected by circuit breaker credits



# New Legislation

## ■ HB 1230

- Notice published in a newspaper also must be posted on the newspaper's Internet Web site
- Eliminates the requirement that a city publish the ordinance setting the salaries of elected city officers
- All political subdivisions with a budget of at least \$300,000 and the power to levy a tax must publish an annual report
- Repeals requirement for county auditor to publish legal claims



# New Legislation

## ■ HB 1344:

### – Homestead Standard Deduction

- Sales disclosure forms and property tax bills must include information concerning the consequences of claiming more than one homestead standard deduction and the procedures and deadlines for terminating a standard deduction.
- Applicant for a homestead standard deduction must include either the last five digits of his social security/driver's license/state identification number.



# New Legislation

## ■ HB 1344:

### – Improper Deductions and Credits

- Tax bills must in 2010, 2011 and 2012 include a form for taxpayers to use to verify certain deductions and credits to which the taxpayers are entitled.
- County auditor may terminate the deductions or credits for 2012 pay 2013 if an individual does not verify the deductions and credits before January 1, 2013. Notice of proposed termination must be provided.

### – Electronic Tax Statements

- Legislative body may authorize the transmission by e-mail of property tax bills and related information.
- County treasurer and auditor administrate program.



# New Legislation

## ■ HB 1344:

### – Electronic Tax Payments

- Automatic deductions of payments for property taxes and special assessments from any account held by a financial institution, not just from a checking account.

### – Revenue Distributions

- County must distribute revenue from monthly installment property tax collections to political subdivisions in the county at the normal semi-annual distribution date.



# New Legislation

## ■ HB 1365

- Retroactive to January 1, 2008
- Applies to one (1) or more parcels of real property in a county that: (1) are permanently flooded or to which access over land is permanently prevented by flooding; and (2) are not being used for agricultural purposes.
- Owner may petition the county assessor for a reassessment of the parcel(s)



# New Legislation

- HB 1432
  - County auditor must distribute local income tax revenue to other taxing units not later than 10 business days after the county treasurer receives the distribution from the state.





# Contact The Department

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